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**SOUTHWEST GAS CORPORATION** RECEIVED

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October 30, 2013

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007-2996

Re: **Docket No. G-01551A-10-0458; Decision No. 72723**

Pursuant to ordering paragraph #6, of the Commission's Opinion and Order in the above referenced docket, Southwest Gas Corporation hereby submits its quarterly compliance report regarding the Energy Efficiency Enabling Provision.

If you have any questions, please contact me at (702) 876-7163.

Respectfully,

*Debra S. Gallo* *by cmg*

Debra S. Gallo, Director  
Government & State Regulatory Affairs

Enclosures

Arizona Corporation Commission

**DOCKETED**

OCT 30 2013

DOCKETED BY

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Brian Bozzo, ACC Compliance  
Patrick Quinn, RUCO

**Southwest Gas Corporation  
Energy Efficiency Enabling Provision  
2013 Third Quarter Compliance Report**

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# **SOUTHWEST GAS CORPORATION**

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## **I. INTRODUCTION**

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Southwest Gas Corporation hereby submits its 2013 third quarter report on the performance of the Energy Efficiency Enabling Provision (EEP).

In its Opinion and Order in Docket No. G-01551A-10-0458, Decision No. 72723 (Decision), the Arizona Corporation Commission (Commission) authorized Southwest Gas Corporation (Southwest Gas or the Company) to implement the EEP, whereby Southwest Gas was granted authority to implement a monthly billing adjustment that adjusts customer bills when actual weather varies from the normalized weather used in the development of authorized rates. The EEP also tracks the non-weather differences in actual margin compared to authorized margin and includes a process to recover margin under collections from and return margin over collections to customers. The combination of these two components results in the Company recovering the margin per customer authorized by the Commission, no more, no less.

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## **II. DISCUSSION**

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This report is for the quarterly period July 1, 2013 through September 30, 2013.

As described above, the EEP contains two components, a monthly weather bill adjustment and non-weather margin tracking. The weather mechanism is applicable to winter season bills (November 1 through April 30) and is not reflected in the Company's July through September bills, consequently, there is no difference between bills with and without the monthly EEP adjustment. The non-weather margin tracking component compares authorized margin to actual margin and recovers or returns differences between authorized and actual margin in a rate adjustment. On April 30, 2013, Southwest Gas filed an application with the Commission seeking to return to customers the deferred balance of approximately 1.9 million dollars in the non-weather margin tracker.<sup>1</sup> . The non-weather tracking component will have no effect on customer bills until the Commission approves a rate adjustment. Therefore, there are no impacts on customer bills to report in this quarterly report.

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## **III. SUMMARY**

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The monthly adjustment component of the EEP has continued to perform as expected to stabilize customers' bills by slightly reducing their bills when the actual weather is colder than the normal weather used to develop the Company's rates and to

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<sup>1</sup> The proposed surcredit is based upon the performance of the EEP's non-weather component during the period from January 1, 2012 through December 31, 2012.

slightly increase customers' bills when the actual weather is warmer than the normal weather used to develop rates.

The monthly adjustment component of the EEP will resume on November 1, 2013 and continue through April 30, 2014. The Company's next quarterly report will reflect the difference between November and December bills with and without the monthly component EEP adjustment as well as any quarterly effects of the non-weather margin tracker if a rate adjustment has been approved by the Commission pursuant to Docket No. G-01551A-10-0458.